Global Logistics Service

Unaudited Interim Report INTEREUROPA Group

January - March 2012

Koper, 18 May 2012

The INTEREUROPA d.d. is publishing this Unaudited Interim Report of Intereuropa Group for January - March 2012, in accordance with the Market in Financial Instruments Act (ZTFI).

The unaudited consolidated and non-consolidated financial statements have been prepared in accordance with the provisions of International Financial Reporting Standards (IFRS).

This Report is available at the Company's registered office at Vojkovo nabrežje 32, 6504 Koper.

The Unaudited Interim Report of Intereuropa Group for January - March 2012 shall also be published on the web site of INTEREUROPA d.d. www.intereuropa.si on May 18, 2012.

C O N T E N T S

PERFORMANCE HIGHLIGHTS

In the reporting period, Intereuropa achieved most of the financial goals in our core business on the group level. Despite continuing slow-down in economic growth in our most relevant markets, the planned sales volumes were achieved. The targets were set lower than in the comparable term 2011 due to the stoppage of operation in some members of our group.
For some time already, dedicated activities on process optimization have been conducted both in the Parent Company and on the group level, with the strongest focus on the transport services outsourcing, the process informatization and simplification of supporting processes, as well as closing-down of under-performing units. The results of these activities reflect in the changed sales structure, cost structure and in higher operating profit in the sales revenue (EBIT margin), which almost tripled the figure achieved by the group in the comparable term last year (2011).

Apart from our business, we carried on negotiations with the creditor banks about financial re-structuring of our liabilities. The banks approved a grace period for the repayment of principals until 30 September 2012 and expressed, despite the lack of involvement of the existing shareholders in capital augmentation, their readiness for converting a portion of accounts receivable in equity. Along with the potential sale of the logistics centre in Moscow and rescheduling of the remaining portion of financial liabilities, these solutions would reduce the indebtedness of Intereuropa d.d. to a sustainable level.

	INTEREUROPA GROUP			INTEREUROPA D.D.		
(in 1000 €)	Jan-Mar 2012	Jan-Mar 2011	Index 12/11	Jan-Mar 2012	Jan-Mar 2011	Index 12/11
Sales Revenue	47,368	56,667	84	28,532	24,646	116
EBITDA	6,962	5,444	128	3,536	2,431	145
Operating profit or loss (EBIT)	4,371	2,307	235	2,344	1,127	208
Net profit or loss	4,539	671	676	623	280	223
EBITDA margin in %	14.7	9.6	153	12.4	9.9	126
EBIT margin in %	9.2	4.1	227	8.2	4.6	180
Sales Revenue per employee/month	8.025	8.706	92	12.757	11.072	115
Value Added per employee /month	2.642	2.298	115	3.572	3.050	117

(in 1000 €)	31.3.2012	31.12.2011	Index 12/11	31.3.2012	31.12.2011	Index 12/11
Assets	400,189	407,207	98	306,812	312,409	98
Equity	144,295	140,988	102	85,312	84,645	101
Net debt	170,813	176,567	97	117,610	118,224	99
No. of employees	1,973	2,114	93	766	769	100

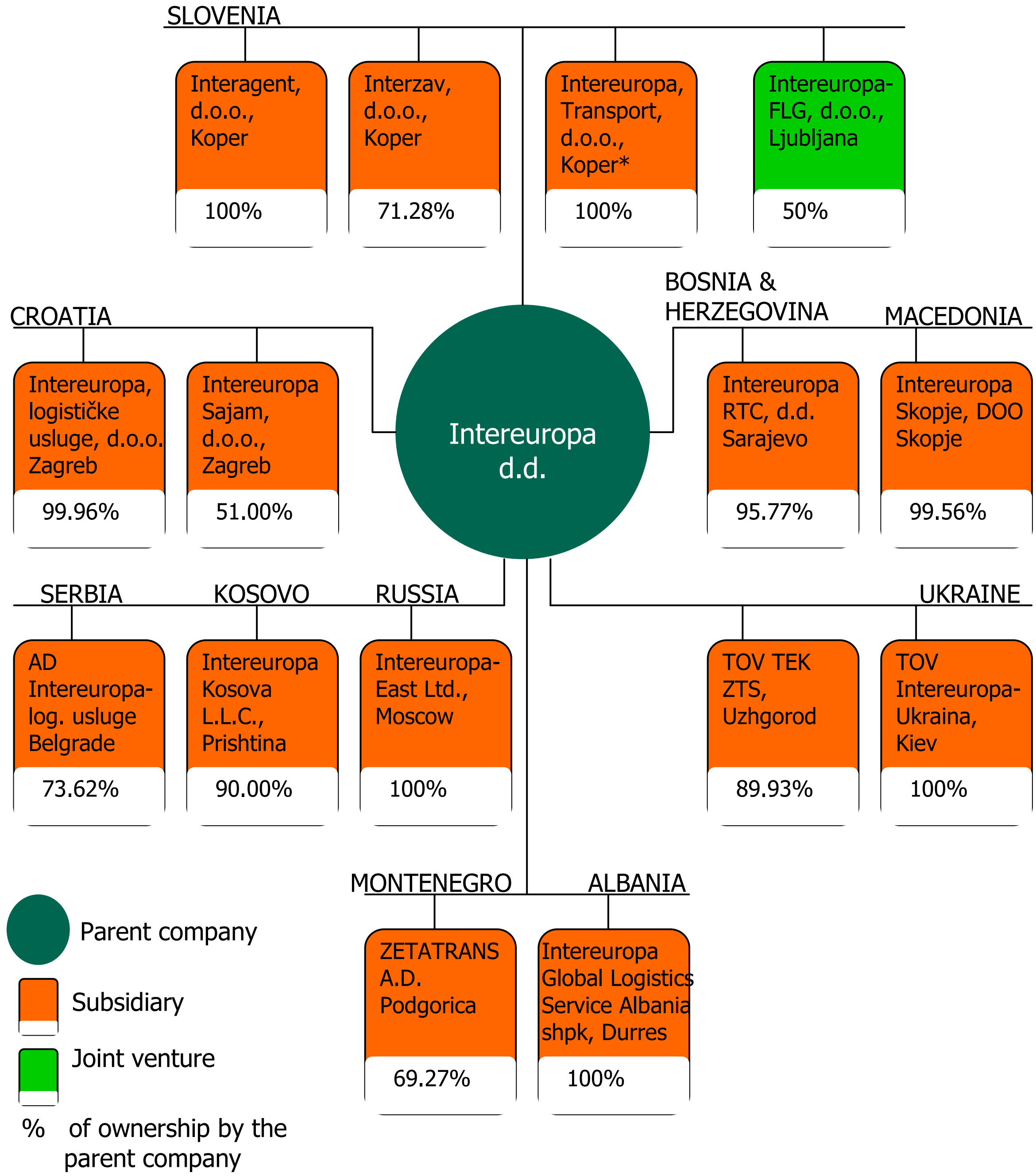
	Jan-Mar 2012	Jan-Mar 2011	Index 12/11
No. of shares at the end of term	7,902,413	7,902,413	100
Net earning per share (in €)	0.08	-0.47	-
Closing price at the end of term (in €)	0.72	0.43	167
Book value of share at the end of term (in €)	10.82	10.74	101
Closing price / Book value of share	0.07	0.04	166
P/E	9.00	-0.91	-

EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortisation
Net debt: financial liabilities – loans and deposits given - cash
P/E: Closing price at the end of term/ Net earning per share

GROUP PROFILE

Parent company	Intereuropa, Global Logistics Service, Ltd. Co.
Abbreviated name	Intereuropa d.d.
Country of the parent company	Slovenia
Head office of the parent company	Vojkovo nabrežje 32, 6000 Koper
Comp. ID no.	5001684
Tax no.	56405006
Entry in Companies Register	Registered with the District Court in Koper, file no. 1/00212/00
Share capital	€ 32,976,185.11
Number of of issued and paid-up shares	7,902,413 no-par value shares
Share listing	Shares deignated IEKG are included in blue chips on the Ljubljana Stock Exchange, CEESEG.
Management Board	Ernest Gortan, Msc., President of the Management Board Tatjana Vošinek Pucer, Deputy President of the Management Board
Chair of the Supervisory Board	Bruno Korelič

Intereuropa Group	
No. of employees	1,973 employees
Vehicle fleet	229 company-owned trucks, tractors, and trailers and other commercial vehicles
Total warehousing area	262,400 m^2 of in-house warehouse
Total land area	2,152,200 m^2
Membership in international organisations	FIATA, IATA, FETA, FONASBA, BIMCO, IRU
Quality certificates	certifcate ISO 9001:2008: ○ Intereuropa d.d., Koper ○ Intereuropa, log. usluge d.o.o. Zagreb ○ Interagent d.o.o., ○ Intereuropa RTC d.d. Sarajevo.
Branch network	Slovenia, Croatia, Montenegro, Bosnia & Herzegovina, Serbia, Kosovo, Macedonia, Albania, Ukraine, Russia



*Intereuropa Transport d.o.o., Koper has been in liquidation proceedings since 17 January 2012.

Figure 1: Intereuropa Group as of 31.03.2012

STRATEGIC OBJECTIVES OF THE INTEREUROPA GROUP

Corporate vision

To become a top-ranked provider of integral logistics solutions.

Mission

The mission of the Intereuropa group is to meet the need for logistics services and provide the optimal functioning of supply chains to the complete satisfaction of our customers, while creating added value for shareholders, employees and other stake-holders in a socially responsible manner.

Values

Professional attitude towards customers. Our activities seek to offer optimal solutions for the logistics needs of each and every customer, based on advanced logistics know-how.
Adaptability and flexibility. Our services are prompt and tailored to customers' needs. They are based on inventive business solutions and good organization.
Responsibility. We are distinguished by a high level of responsibility for all obligations and arrangements undertaken, as well as for both the social and natural environments.
Team work and respect for co-workers. The quality of our services is the result of the work of individuals and excellent expert teams. We duly take into account co-workers' knowledge, experience and views.

Our organizational structure and professional competence will enable us to fully realize our competitive advantages:

→ own network of affiliated companies,
→ established partnership network,
→ a wide range of different products and our own infrastructure,
→ technically qualified staff.

Strategic goals up to the year 2012:

→ Maintaining and strengthening our position as the leading provider of comprehensive logistics services in Slovenia and the countries of the former Yugoslavia.
→ Continuous optimization of processes in all business segments at the group level and within the consolidated companies.
→ Ensuring financial stability through divestment, de-leverage, debt rescheduling and effective management of working capital.
→ Establishing a strategic partnership in the company Intereuropa East Ltd., Moscow.
→ Acquiring a strategic partner for Intereuropa d.d. that will carry out recapitalization, thus contributing to the group's financial stability as well as the development of our core business.

BUSINESS PLAN FOR THE YEAR 2012

The baseline for the 2012 Business Plan of the Intereuropa group relies on retaining and strengthening the leading position in the market of comprehensive logistical services in Slovenia and countries of former Yugoslavia.

The underlying principles in drawing up the operating plan for the year 2012 are the assurance of satisfactory cash flows for the liquidity of companies in the group, aiming to allow for the time needed for financial recovery of the Parent company Intereuropa d.d. in the long run.
In setting the goals we considered the minimal economic growth forecasts for the majority of countries in which the group operates, the preparations for the accession of Croatia to the EU, and the aggravated liquidity situation in the markets, as well as the pressure on prices.

Following these baselines, we have set the following operating and financial goals for the year 2012 on the group level:

- → Further optimization of business processes,
- → Focus on the markets with a high market share,
- → Using the synergies of the corporate network,
- → Restructuring of our range of services,
- → Increasing the share of customers – users of integral logistics.
- → Agreement with creditor banks on a more favourable structure of financing for the Parent company,
- → Ensuring adequate liquidity for a smooth operation of the group,
- → Core financial goals:
    - Sales: € 191.8 million,
    - EBITDA: € 23.2 million,
    - Operating Profit or Loss: € 13.0 million,
    - Investments: € 2.5 million,
    - Number of employees at year-end: 1,894.

MAJOR EVENTS IN THE REPORTING PERIOD

January

→ On 17 January 2012 the initiation of voluntary winding-up of the subsidiary Intereuropa Transport d.o.o. was published in the Court Register of Companies, along with the changed firm Intereuropa Transport d.o.o., in liquidation; Ernest Gortan was appointed as the Liquidation Trustee for the company.

February

→ On 27 February 2012 the Supervisory Board was informed on the operation of the Intereuropa Group in the year 2011, in which the Intereuropa Group recorded 11 percent higher sales revenue, at € 211.9 million, which was 11 percent above the sales target as well.

→ Creditor banks granted to Intereuropa d.d. a grace period until 30.09.2012 for the repayment of principal and expressed in principle their readiness for the conversion of a part of debt into equity. They also expect support from shareholders, who are expected to decrease the share capital by reducing the nominal share value to 1 € and adopt the resolution on capital increase by the conversion referred to above. In this way the banks would reschedule the liabilities for loans so that financial liabilities of Intereuropa d.d. be sustainable. That would further provide for a sale of the banks' equity to strategic investors.

March

→ Our customer Top Shop International SA informed us of their intended termination of cooperation with us. The Management Board estimates that the envisioned termination would cut the planned sales revenue of the group by approximately 2.5 percent in the current year. We will attempt to mitigate the negative impact of the reduced volume of the business with said customer by activities addressing the resulting situation, both by active marketing and cost adjustment.

MAJOR EVENTS AFTER THE END OF REPORTING PERIOD

April

→ On 19 April 2012 the Supervisory Board of Intereuropa d.d. adopted in its 19th ordinary session the Audited Annual Report 2011 for the Intereuropa Group, the Auditor's Report by the appointed external certified auditor, and the Report prepared by the Supervisory Board on reviewing the Intereuropa d.d. Audited Annual Report 2011, following a due discussion of all reports.

→ On 24 April 2012 Intereuropa made a presentation in the Day of Slovenian Capital organized by the Ljubljana Stock Exchange (Ljubljanska borza d.d.), and the Management Board president Ernest Gortan Msc. reported on the achievement of strategic goals in 2011 and on the planned activities and goals of the Intereuropa Group for the present year.

BUSINESS REPORT

1. PERFORMANCE OF INTEREUROPA GROUP

1.1. Sales achievements

ECONOMIC TRENDS

The unfavourable economic situation in the Euro Zone persisted in the first quarter 2012. In addition to the debt crisis, the economy was subject to increasing pressures from the rising prices of raw materials – in particular oil which had grown by 15 percent (in €) in the reporting quarterly term and peaked in March at 97.30 € per barrel. The short-term ratios implied the approaching stagnation or even a decline in economic activity. However, the deepening of debt crisis remains the main risk for non-achievement of expected growth.
Slovenia is no exception – the economic situation saw no improvement. After the decline in the last quarter of the year 2011, the exports of goods, in real terms, were expected to continue downwards in January too. The industrial production in the manufacturing enterprises rose slightly in January, but the business trend details reveal even lower expectations. The prospects do not show any short-term strengthening of economic activity.
Also the countries of the former Yugoslavia were hit by shrunken economic activity at the end of last year. The Croatian GDP decreased in the last quarter 2011, and Serbia, Bosnia and Herzegovina (BiH) and Macedonia expected their growth to slow down or decline. Their prospects for the current year depend not only on foreign demand, but also on the availability of foreign funding sources: the inflow of foreign investments is expected to decline. International institutions forecast the Croatian GDP to decrease once again, and positive growth for the remaining three countries: very low for Serbia and Bosnia and Herzegovina, and just over 2 percent for Macedonia. Quite different was the situation in Russia: the economic growth remained high at end of last year primarily due to domestic investment demand. Similar trends are forecast to continue this year.

Table 1: Forecast of economic trends in goegraphic markets of the Intereuropa Group

Countries	BDP growth, in %		Inflation, in %		Exports of goods growth, in %		Imports of goods growth, in %	
	2012	2013	2012	2013	2012	2013	2012	2013
EU 27	0.0	1.3	2.1	1.7	1.1*	3.1*	-0.8*	2.2*
CEE	1.9	2.9	5.3	4.0	3.8	5.8	4.0	5.1
Slovenia	-0.9	1.2	2.0	1.9	1.3	5.8	-2.0	5.0
Croatia	-0.5	1.0	2.5	2.7	2.1	1.5	-11.1	-1.5
BiH	0.0	1.0	2.2	2.1	1.8	5.4	1.9	4.5
Serbia	0.5	3.0	4.5	4.0	4.9	5.7	7.6	8.1
Kosovo	3.8	4.1	1.0	1.9	-0.3	7.3	-4.6	5.7
Montenegro	0.2	1.5	1.7	1.3	1.0	1.6	-0.1	3.4
Macedonia	2.0	3.2	2.0	2.0	7.2	10.7	6.0	9.4
Albania	0.5	1.7	3.0	3.0	1.4	6.7	-1.5	2.8
Russia	4.1	3.9	6.2	6.5	2.3	2.8	16.6	13.2
Ukraine	3.0	3.5	7.9	5.9	3.0	7.0	5.3	6.2

* Euro zone

Source:
World Economic Outlook, IMF, April 2012
Spring forecast of economic trends 2012, UMAR, March 2012

SALES REVENUE

The Intereuropa Group generated a **sales revenue of € 47.4 million** in the first quarter 2012, which was 1 percent above the sales target. The surplus of the same percentage point was recorded in all the three core business areas, the highest result outstripping the sales plan was achieved in the following products:

→ road transport in Slovenia, with an outstanding achievement by the Parent Company from the organization of full load transportation, and
→ car logistics in Russia, with a very high occupancy rate of the car terminal.

Compared with the same period a year ago, our sales result in the reporting term was 16 percent lower. Our business area of land transport saw a decline, attributable to some optimization-focused activities within the group:

→ The decreased activity and the initiation of voluntary liquidation proceedings on our subsidiary Intereuropa Transport d.o.o. in January;
→ Closing down our subsidiary in Germany in May 2011 and the disposal of our subsidiary in France in June 2011, and further development in these markets through our partner networks.

The inferior sales volume than last year was also a logical consequence of the lower planned volume of operations of our Ukrainian company due to the declining volume of goods flows in transit in railway transport.

Table 2: Sales revenue of the Intereuropa Group by business area, in € thousand

	Business area	Jan - Mar 2012	Structure	Index 2012/plan	Index 2012/2011
1	Land transport	26,681	56%	101	73
2	Logistics solutions	7,039	15%	101	102
3	Intercontinental transport	11,980	25%	101	101
4	Other services	1,668	4%	98	137
	TOTAL SALES REVENUE	**47,368**	**100%**	**101**	**84**

Table 3: Sales revenue of the Intereuropa Group by geographical area (by companies' head office), in € thousand

	Geografical area (by companies' head office)	Jan - Mar 2012	Structure	Index 2012/plan	Index 2012/2011
1	Slovenia	27,965	59%	103	96
2	Croatia	7,409	16%	93	95
3	Bosnia & Herzegovina	1,454	3%	97	87
4	Serbia	855	2%	111	117
5	Macedonia	303	1%	106	101
6	Kosovo	385	1%	102	104
7	Montenegro	1,062	2%	82	88
8	Albania	97	0%	81	63
9	Russia	3,590	8%	114	132
10	Ukraine	4,249	9%	100	41
	TOTAL SALES REVENUE	**47,368**	**100%**	**101**	**84**
1	EU countries	27,965	59%	103	96
2	Non-EU countries	19,403	41%	98	71

Three quarters of the group sales revenue were generated by our companies in Slovenia and in Croatia. The lower achievement recorded in Croatia in comparison with the last year's figure has resulted from tougher competition and worse economic situation. Our companies achieved the highest growth in the markets of Russia, Serbia, Kosovo and Macedonia.

Table 4: Sales revenue of the Intereuropa Group by geographic area (by customers' head office), in € thousand

	Geografical area (by customers' head office)	Jan - Mar 2012	Structure	Index 2012/2011
1	Slovenia	14,567	31%	95
2	Croatia	6,986	15%	94
3	Russia	3,770	8%	122
4	Bosnia & Herzegovina	1,552	3%	87
5	Serbia	832	2%	109
6	Montenegro	1,028	2%	91
7	Other countries	18,632	39%	69
7a	Other EU countries	9,085	19%	45
7b	Other countries	9,547	20%	134
	TOTAL SALES REVENUE	**47,368**	**100%**	**84**

Land transport

The land transport area contributes 56 percent to the sales revenue of the Group. The sale of services in this area exceeded the planned sales revenue by 1 percent, however, it was 27 percent below the result achieved in the comparable term a year ago. Such a setback is primarily attributable to the initiation of the liquidation in the subsidiary Intereuropa Transport d.o.o. and the lower sales volume in our Ukrainian subsidiary TEK ZTS Uzhgorod. The lower sales revenue has further resulted from the stoppage of operation of the German subsidiary (in May 2011), the disposal of the subsidiary in France (June 2011) and lower sales in the product Express Services.

This year we were exposed to increased pressures on the procurement prices due to fewer hauliers on the supply side of the market and due to rising oil prices (petroleum products), which resulted in an increase of our direct costs and decrease of our margin in transport services.

The recession is felt in our markets through a lower volume of trading in goods and further affected by increased ill payment practices. That demands much prudence in the acquisition of new business, along with concurrent monitoring of financial stability of our customers. Also the competitors are aware of these risks and try all the harder to acquire the business with ''sound'' customers. As the shrinkage on the cost-side affects our customers as well, all the more business can only be acquired by tenders, which leads to reduction of prices and our margins.

The course of business in the reporting term was also earmarked by process optimization resulting from the new IT solution that was launched to support land transport operations.

Groupage Services:

→ The sales plan was outstripped by 4 percent and 9 percent growth was recorded on the group level.

→ In Slovenia, where 85 percent of all revenues are generated for this product, the results achieved are slightly behind the plan but exceed the comparable figure of last year by 6 percent.

→ In Croatia, which is the second major market, we exceeded the sales plan and the last year’s quarterly result (both by 9 percent).

→ The greatest setback was recorded in our subsidiary in Kosovo.

Express service:

→ The Group stood 30 percent below the comparable last year's result and recorded a setback behind the plan at almost the same level. Such an underachievement resulted from tougher competition and changed approach to pricing policy focusing on the transportation of heavier consignments.
→ The highest setback was recorded by the companies in Croatia (40 percent lower sales revenue than in 2011) and in Slovenia (26 percent below the figure achieved a year ago).
→ The outsourcing process in Croatia closed on 1 January 2012. The transport services are entirely provided by hiring the subcontractor hauliers.
→ The restructuring process on this product is conducted both in Slovenia and Croatia.

Road Transport:

→ We surpassed the sales plan on the Group level but generated 28 percent fewer sales revenue than last year: that is a consequence of closing down the company Intereuropa Transport d.o.o., the stoppage of operation of the German subsidiary and the disposal of the subsidiary in France,
→ Very good results were achieved by the newly established unit to coordinate the organization of full-load shipments in the Parent Company, which services the customers who were formerly cooperating with Intereuropa Transport d.o.o. (currently in the process of liquidation).

Customs services:

→ The sales plan was exceeded by one percent, and the volume grew by 11 percent over the comparable term last year.
→ The parent company saw the greatest improvement: it exceeded the plan by 17 percent and outstripped the result of 2011 by 44 percent, thanks to acquisition of new business, mostly on the border area with Croatia.

Rail Transport:

→ Due to reduced goods flows in transit, our Ukrainian subsidiary recorded a lower volume of operations than a year ago, but still in accordance with the plan.
→ The specialized company Intereuropa-FLG d.o.o. Ljubljana is lagging behind the plan and below the achievement of the last year's first quarterly term.

A major business partner, the company Top Shop International SA, informed us recently of intended relocation of its logistics activities to Poland. In accordance with the scheduled dynamics for the stoppage of business cooperation we expect a downturn in the sales revenue in the Land Transport area for the second half-year.
The restructuring process on this product is underway in Slovenia, Croatia and Bosnia and Herzegovina. In Slovenia, process optimization has been on-going since the new IT system solution was launched to support land transport operations. Activities for the implementation of the new IT solution supporting the land transport area were started in Croatia, too.

Regretfully, the recession in Europe and the general economic climate in Slovenia are not the best provisions for a promising outlook up to the year-end. Slovenia has found itself in a repeat of economic slow-down in international environment, similarly as in the year 2009, and is exposed primarily through international trade, therefore we already feel the impact of lower exports on the reduction of goods flows.

Logistics solutions

The Logistics solutions segment achieved good operating results in the first quarterly term and exceeded the targets. We made a sales revenue of € 7.1 million, or 15 percent in the total sales structure of the Group, thanks to better sales in the Parent Company Intereuropa d.d. in Slovenia, which rose one percent over the last year's results and exceeded the plan by the same percentage point; merits also go to the companies in Russia, Bosnia and Herzegovina, and Serbia.

The second largest market in the logistics solutions segment is Croatia which contributed 25 percent to the sales of this business area. The sales revenue in Croatia remained 12 percent behind the results of the comparable preceding year's term and 8 percent behind the target sales revenue. The situation is attributable to the recession and financial crisis in the country, as well as to increased competition of foreign logistics providers.

The highest growth of sales was recorded in Russia, which outstripped the last year by 193 percent and exceeded the plan by 20 percent. Such growth rate has resulted from the sufficient occupancy of our warehousing capacity in the second half-year 2011.

The performance is still affected by the slow upturn of economic situation that also reflects in the increased inventories in the warehouses.

The expected stoppage of cooperation with our customer Top Shop International SA will have a bearing on the lower sales revenue in logistics solutions, too. Activities aiming to adapt to the new situation and mitigate the consequences of the loss of customer are already running, on the cost- and income side.

The following key activities are planned for the next quarterly term:

- → Intense marketing activities to acquire comprehensive logistics business on a bigger scale,
- → Process optimization by introducing e-commerce (EDI) with our partners in business,
- → Improving the efficiency and productivity (primarily in Slovenia).

Intercontinental transport

Our operations in this segment were very good and above the sales targets for this quarterly term. We achieved a sales revenue of € 11,980 thousand, or 25 percent in the total sales structure of the group. The sales plans were exceeded most in car-handling logistics, also in the markets of Slovenia and Russia.

Sea Transport:

- → Our operations were within the planned sales revenue;
- → Slovenia remains our key market, standing for 90 percent in the sales structure;
- → In conventional cargo we surpassed the sales targets by 15 percent, thanks to a good season for fruit and vegetables, and regular bulk/dry-bulk cargo turnover via the Koper Port;
- → In containerized cargo, however, we were behind the targets due to low seafreight rates and the loss of some container trucking businesses via Koper (better sales results are expected in the second quarter);

- → In the RO-RO products, we have exceeded the target sales revenue by 60 percent as a result of increasing transport rates;
- → The sales targets were exceeded also in our affiliates in Macedonia and Bosnia and Herzegovina, where we acquired the organization of transport in addition to the freight forwarding business.

Car logistics:
- → In the reporting quarterly term we exceeded the sales targets by 6 percent;
- → The number of vehicles handled via Koper port and also via our car terminal in Koper has risen;
- → A high occupancy of the car terminal was further recorded in Russia, with existing customers, achieving a good vehicle turnover at the terminal as well – which contributes to the revenues from car transportation, handling and storage;
- → We acquired an important car-handling business via Koper Port in a major tender;
- → A new promising business – transportation of used cars via Koper – is under development;
- → A similar trend can be expected in the second quarter of this year.

Shipping Agency:
- → Our company Interagent d.o.o. (Shipping Agency) has been performing in line with the plan for the reporting term;
- → we remain the leading shipping agent in terms of the number of ships represented in the Port of Koper;
- → We acquired the agency for new shipowners calling at Koper;
- → We are involved in commercial activities for potential agency representation of a container-operating shipping line in Slovenia and/or other Balkan countries;

Airfreight:
- → In the Airfreight product, we remained behind the sales targets by 9 percent on the Group level;
- → Despite lower sales revenue, our performance in Slovenia was good, having exceeded the plan by 30 percent and the comparable result 2011 by 34 percent;
- → The sales targets were also exceeded in Serbia and Croatia;
- → An increasing number of logistics providers organize airfreight transport via European hub airports, and continues with the organization of land transport from the Balkans to those hub airports;
- → Airfreight prices are on the rise, but the seafreight rates have been rising even faster, which could mean a certain shift on the demand side towards airfreight transport;
- → Similar results can be expected for the second quarter.

1.2. Financial result

Tables 5 and 6: Financial results of the Intereuropa Group for January-March 2012, in thousand €

Item / Index	Jan - Mar 2012	Jan - Mar Plan 2012	Jan - Mar 2011	Index 2012/plan	Index 2012/2011
Sales revenue	47,368	46,823	56,667	101	84
EBITDA*	6,962	4,568	5,444	152	128
Operating profit or loss	4,371	1,860	2,307	235	189
Financing profit or loss	1,518	-4,207	-1,345	-	-
Net profit or loss	4,539	-1,813	671	-	676
EBIT margin in %	9.2%	4.0%	4.1%	232	227
Sales revenue per employee/month	8.025	7.598	8.706	106	92
Value added per employee/month	2.642	2.204	2.298	120	115

** EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortisation*

Item / Index	31.03. 2012	Plan 31.12.2012	31.12. 2011	Index 2012/plan	Index 2012/2011
Balance sheet total*	400,189	379,794	407,207	105	98
Equity*	144,295	146,892	140,988	98	102
Net debt**	170,813	173,614	176,567	98	97
Short-term assets/ Short-term liabilities*	0.35	1.25	0.35	28	100
Net Return On Equity (yearly level)***	3.65%	-1.16%	-0.02%	-	-

** as of the last day of the reporting period*
*** financial liabilities – loans and deposits given - cash*
**** average equity (capital) of the report. period*

The Operating result and EBITDA

→ Excluding the transactions that are not directly related to the ordinary business, the following EBITDA and Operating result values would be achieved:

in 1000 €	Jan-Mar 2012	Jan-Mar 2011	Index 2012/2011
EBITDA	5,888	4,797	123
Operating profit or loss	3,307	1,667	198

→ The higher Operating result is largely attributable to the stoppage of operations in two under-performing subsidiaries, and to the substitution of a considerable portion of the sales revenue in the closed-down units by the Parent company and in the subsidiary in Russia. In the remaining companies of the group, we retained the same level of fixed costs, or were even able to cut the costs in some companies. As a result we have improved the profitability of the operations which reflects in a very high EBIT margin that is currently being maintained.

The Financing result

→ The foreign exchange gains contributed to the positive Financing result for the first quarterly period. Interest expenses were 11 percent lower than in the comparable term a year ago.

1.3. Investments in fixed assets

In the first quarter 2012, the **investments in fixed assets** realized by the Intereuropa Group totalled **€ 171 thousand**, thereof 76 thousand in real estate and 95 thousand in plant and equipment, and intangible assets. The annual plan of investments was completed to the level of 7 percent.

Table 7: Overview of Investment in January- March 2012, in thousand €

Company	Real property		Plant & Equipment		TOTAL INVESTMENTS		% of annual realiz.
	Jan-Mar 2012	Jan-Mar Plan 2012	Jan-Mar 2012	Jan-Mar Plan 2012	Jan-Mar 2012	Jan-Mar Plan 2012	
Intereuropa d.d.	62	738	50	917	111	1,655	7
Subsidiaries	15	333	45	595	60	928	6
TOTAL INVESTMENTS	**76**	**1,072**	**59**	**1,511**	**171**	**2,583**	**7**

The investments of the Parent Company Intereuropa d.d. were made in real estate, equipment and intangible assets (€ 111 thousand); other members of the group invested € 60 thousand in fixed assets. The most of invested funds were earmarked to:

- → Buildings and equipment (€ 93 thousand),
- → Repairs and purchase of motor vehicles (€ 67 thousand),
- → Computer hardware and software (€ 10 thousand).

1.4. Risk Management

The central goal in risk management is to effectively address and reduce uncertainty in the Company and thereby assure higher operating performance and retain the competitive advantages of the Company. There were 73 types of risk identified in the company Intereuropa d.d., thereof 24 key risks. The most relevant risks for the Company are those related to assurance of financial stability and the risks for a decreased demand for our services.

In the first quarterly term we did not perceive any higher exposure to individual risk types, and no major negative effects were recorded; we achieved the target performance values in the operating indexes/ratios.

The liquidity risk is managed by heightened control over the cash flows and the current/ working capital, as well as by the balancing of short-term credit facilities with the commercial banks. Our major attention is dedicated to the selling risks adapting to individual needs of our customers. To date, we have not recorded any downturn in the demand for our services; in fact we were able to increase the volume of our operations. Nevertheless, the prices in the logistics market remain volatile and we continue with our internal optimization and concurrently assure a high quality level of our services. The introduction of the new IT solution to support the logistics processes was one of the key milestones in the management of change. Our business achievements reflected on the HR area, too, in which the appropriate communication, motivation and rewarding system linked to efficiency are in the forefront. The assurance of financial stability of the company is the key risk in our daily focus: we endeavour to maintain it on an acceptable level (the agreed grace period for the repayment of principals, consistent implementation of the corporate business and financial restructuring programme).

The course of events after 31.3.2012 points to increased selling risk arising from the announced migration of the customer Top Shop International SA, against which we already adopted additional measures in the sales, organizational and financial area to cope with the situation. Another risk is rising – that of a potential capital increase for the Company, which is one of the requirements for financial restructuring. Therefore the Management Board publicly addressed all the shareholders to get involved in the capital increase of the company.

Nevertheless we estimate for the second half-year that the company Intereuropa d.d. will not increase its overall exposure to risks.

1.5. Human Resources Management

EMPLOYMENT TRENDS

In the reporting term, the number of employees in the Intereuropa Group fell by 141 employees or 7 percent compared with the year-end 2011. Due to liquidation of the company Intereuropa Transport d.o.o., 110 employees (out of 117) were made redundant. Ten employees left the Parent company Intereuropa d.d. and were substituted by eight, so there was no major variance in the total number of employees in the given term.

Table 8: No. of employees in the Intereuropa Group according to countries, as of 31.03.2012

	31.3.2012	31.12.2011	Difference 12-11	Index 2012/2011
Slovenia	795	908	-113	88
Croatia	492	514	-22	96
Bosnia & Herzegovina	136	145	-9	94
Serbia	111	108	3	103
Macedonia	34	33	1	103
Kosovo	24	25	-1	96
Montenegro	159	162	-3	98
Albania	2	2	0	100
Russia	170	168	2	101
Ukraine	50	49	1	102
TOTAL No. OF EMPLOYEES	**1,973**	**2,114**	**-141**	**93**

In addition to permanent (full-time) staff, there were on average 158 persons per month working, recruited through other forms of labour, such as: hired from HR agencies and Students' Job Centres (this figure comprises the number of students with full-time employment).

DEVELOPMENT AND TRAINING

In the reporting term, 15 percent of employees (287 participations) were included in various forms of training and education to acquire new knowledge, i.e. 2,475 hours in total. We spent less than one half of the budget earmarked thereto (€ 37 thousand).

In the structure of hours, the greatest share of training was dedicated to acquire and upgrade the knowledge of logistics, primarily from IT support to sales processes 'ISPRO' (43 percent) and other technical and specialist knowledge from various fields, such as auditing, accounting, etc. (26 percent).

Figure 2: Structure of training hours in period January – March 2012 according to topics, in the Group

EMPLOYEE CARE AND WIDER SOCIAL ENVIRONMENT

→ Financial aid was provided to 21 employees in difficult health condition or inferior financial situation in total amount of € 12 thousand (compared to 13 thousand in the same period last year);
→ Our holiday facilities recorded 1,078 overnight stays or a 65 percent occupancy (959 in the same term last year or 51 percent occupancy).
→ We provided practicum to 36 secondary school and university students in the Group (compared with 27 last year).

HEALTH PROTECTION

The following activities are being implemented in this area:
→ Preparation of the health-strengthening programme – promoting the occupational health care in the workplace;
→ New Fire-Fighting Regulations with the relevant documentation are being prepared for each business unit;
→ We approached to prepare the "Operational regulations" for our private railway siding tracks;
→ Supplementing our current Declaration on Safety with Risk Assessment, and the Health (and Well-Being) Risk Assessment for individual workplaces;
→ Harmonization of our internal acts with the new Occupational Health and Safety Act, etc.

There were 222 sets of different pieces of equipment examined on the level of the group. Particular attention was dedicated to providing sufficient control over fire safety and precautions. There was only one injury at work in the business unit Dravograd (compared with 13 last year).

1.6. Total Quality Management

Four companies of the Intereuropa Group (out of fourteen) hold a certification under the ISO 9001:2008 Standard. There are 71 percent of all employees working in the companies with certification for quality management. External Audit of the Quality Management System of Intereuropa d.d. was conducted in the reporting term and the decision was made to discontinue the certification in two companies: Intereuropa Transport d.o.o. in liquidation, and in Interagent d.o.o.

Maintaining the ISO 9001:2008 Quality Management System

→ Yearly QMS reports were prepared for the year 2011 and the measures to improve the QM system were triggered in all four companies.
→ A new Quality Management System Manual for the company Intereuropa d.d. was issued.

Internal quality of service auditing

→ No internal audit was conducted in Intereuropa d.d.

Quality control by QM indicators

→ There were fewer complaints recorded in Intereuropa d.d., but the value involved therein was 70 percent lower than in the comparable term a year ago.

No. of complaints	Index 11/10	No. of claims	Value in 1000 €	Index 11/10	Approved Value in 1000 €	Index 11/10
138	88	57	26	29	6	12

External quality of service audit by the certification authority

The result of external audit in Intereuropa d.d. this year:

→ The audit was the fourth re-certification (renewal) audit, thirteenth in sequence. It was conducted in the organizational units: Managing Board, business units Koper, Brnik, Celje, Maribor, Dravograd.
→ Auditors have confirmed in their reports that our operations are conducted in compliance with the requirements of the ISO 9001 standard. They did not find any non-compliance, however, they issued 21 recommendations for improvement.
→ The implementation plan for the recommendations accepted on our part will be prepared; we will substantiate any recommendations not accepted by the end of May.

1.7. Share IEKG and ownership structure

KEY DATA ON SHARE

Table 9: Key Data on Intereuropa Share (IEKG) for the term January - March 2012

	Jan-Mar 2012	Jan-Dec 2011
No. of shares*	7.902.413	7.902.413
No. of treasury shares*	18.135	18.135
Share book value in €*	10,82	10,74
Earnings per share in €	0,08	-0,47
Market capitalisation in € thousand*	5.690	3.398
Trading volume in € thousand	79	433
Closing price in €	0,72	0,43
Weighted average price in €	0,87	2,62
Highest price in €	1,32	3,99
Lowest price in €	0,33	0,40
P/E	9,0	-0,91
Capital gain	67,4%	-89,0%

** as of the last day of the period*

Notes:
Book value = capital/ (number of ordinary shares – number of treasury shares)
*Market capitalisation = closing price at the end of period * number of shares listed in SE*
Net earning per share = Net profit/(number of ordinary shares – number of treasury shares)
P/E = closing price at the end of period / Net earning per share
Return on equity = price increase in period

SHARE TRADING

In the first three months this year, the value of Intereuropa share rose from € 0.43 to 0.72 € after it hit the bottom in January at 0.33 €. It has gained 67.4 percent of its market value, while the Stock Exchange Index (SBITOP Index) recorded a 1.6 percent rise in the same period. The closing rate fluctuated from € 0.33 to € 1.32 per share, in a moderate volume of transactions.

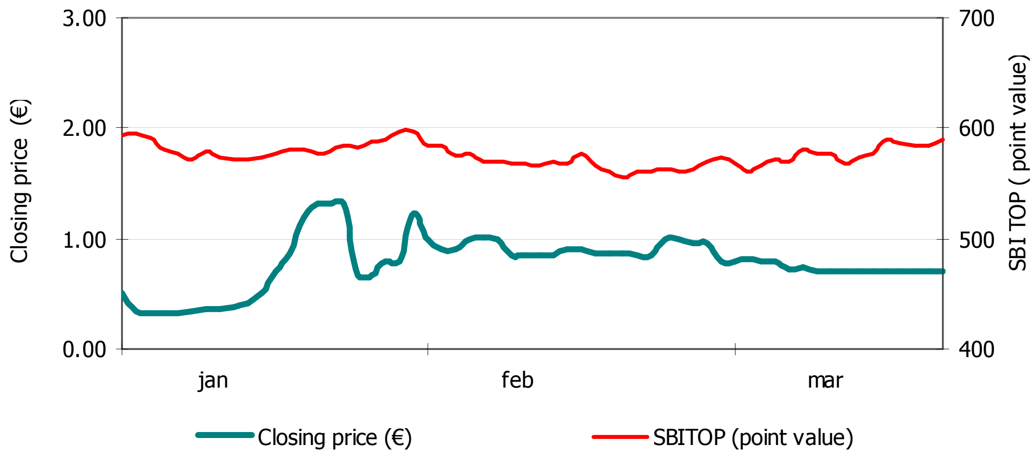


Figure 3: Closing prices of IEKG share and of SBITOP index in the period January – March 2012

During the reporting period the trading comprised 107,780 IEKG shares, thereof the average daily turnover amounted to € 1.3 thousand. The volume of trading in Intereuropa share was € 79 thousand and was three times lower than in the same term last year. Also the Ljubljana Stock Exchange saw a similar trend: the trading volume in shares fell to less than one quarter of the volume in the same term last year. Low liquidity in the capital market persisted and has not improved in the given aggravated economic situation and continuing financial squeeze.

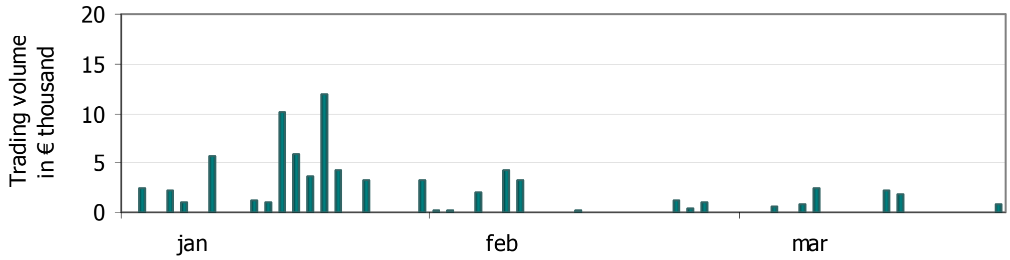


Figure 4: Trading volume of IEKG sharein the period January – March 2012

OWNERSHIP STRUCTURE

The shareholdings of the top ten shareholders have remained unchanged since the year-end 2011. The top ten shareholders owned 60.2 percent of Intereuropa.

Table 10: Top ten shareholders of Intereuropa d.d. as of 31.03.2012 compared to 31.12.2011

	Shareholder	31.3.2012		31.12.2011		Index Mar12/ Dec11
		No. of shares	share %	No. of shares	share %	
1.	Luka Koper d.d.	1,960,513	24.8	1,960,513	24.8	100
2.	Kapitalska družba d.d.	719,797	9.1	719,797	9.1	100
3.	Slovenska odškodninska družba d.d.	474,926	6.0	474,926	6.0	100
4.	INFOND d.o.o. UVS Infond Global	313,391	4.0	313,391	4.0	100
5.	NFD 1 Delniški investicijski sklad d.d.	304,312	3.9	304,312	3.9	100
6.	Abanka Vipa d.d.	244,473	3.1	244,473	3.1	100
7.	NLB d.d.	240,000	3.0	240,000	3.0	100
6.	Zavarovalnica Triglav d.d.	213,640	2.7	213,640	2.7	100
9.	Delniški VS Triglav Steber I d.d.	152,482	1.9	152,482	1.9	100
10.	Interfin naložbe d.d.	129,862	1.6	129,862	1.6	100

In the reporting term, the number of shareholders was lower by 140 (- 2 percent) and fell to 5,583 shareholders in total. The share of foreign investors remained unchanged and the reporting term closed at 2.3 percent.

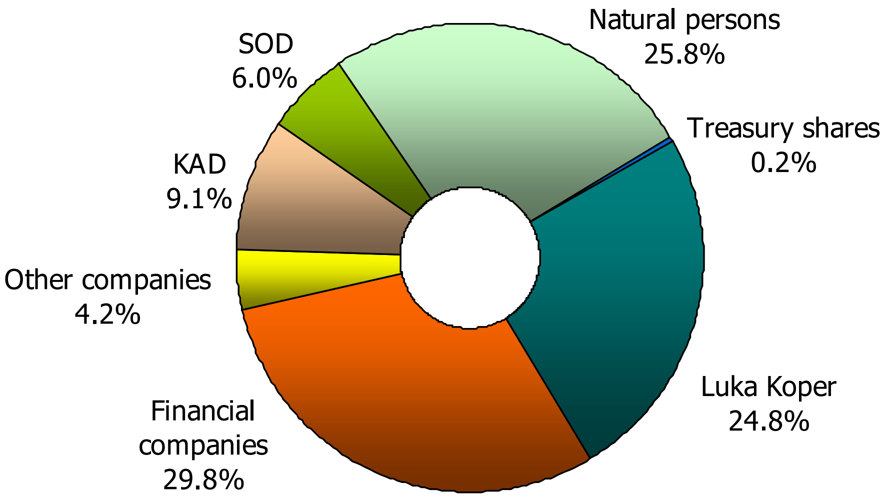


Figure 5: Ownership structure of Intereuropa d.d. as of 31.03.2012

SHARE OWNERSHIP BY THE MANAGEMENT AND SUPERVISORY BOARD MEMEBERS

The Management Board president Ernest Gortan, and deputy president Tatjana Vošinek Pucer did not own any Intereuropa shares on 31.03.2012.

Table 11: Shares held by Supervisory Board members, as of 31.03.2012

Supervisory Board	No. of shares	share in %
Bruno Korelič, president of Supervisory Board	10	0.000
Maksimilijan Babič, deputy president of Supervisory Board	100	0.001
Nevija Pečar, member of Supervisory Board	4,185	0.053
Maša Čertalič, Msc., member of Supervisory Board	99	0.001

TREASURY SHARES

As of 31.03.2012, the company Intereuropa d.d. held 18,135 treasury shares (IEKG) in total value of € 180 thousand, representing 0.2295 percent of all shares. The percentage of treasury shares has not changed since 31.12.2011.

AUTHORISED CAPITAL

According to the Resolution adopted by the General Meeting in its ordinary session of 1 July 2010, amending the Statute of Intereuropa d.d. in section 5.13 which authorises the Managing Board - in five years' time after this amendment to the Statute is registered in the

Court Register of Companies, without having to issue a separate Resolution by the General Meeting but subject to the consent by the Supervisory Board - to increase the share capital by issuing new shares for contributions up to the amount of one half of the share capital existing on the day of adopting the Resolution in the 22nd General Meeting, which represents a nominal amount of € 16,488,092.56 (the authorized capital). As of the cut-off date (31.03.2012), the company has got authorized and unused capital in total amount of € 16,488,092.56.

DIVIDEND

Intereuropa d.d. does not plan to pay any dividend in the year 2012.

INFORMING THE SHAREHOLDERS

The communication strategy of the company is based on the principle of transparent communication providing equal and timely information of all stakeholders. Shareholders have the decisive influence on strategic business decisions and directions, therefore we see a regular and open communication with existing and potential shareholders as the right way to strengthen the successful operation of Intereuropa.

In our communication with the shareholders are used:

→ Ordinary General Meetings of Shareholders,
→ Presentations of the company in conference for investors,
→ Press conferences upon publication of business results and other price sensitive information,
→ Regular communication via by the Stock Exchange (SEO-net) electronic system,
→ Regular communication with financial media,
→ Website,
→ E-news.

Our shareholders can e-mail their remarks and proposals to us at: info@intereuropa.si.

2. OPERATION OF THE COMPANY INTEREUROPA d.d.

Tables 12 and 13: Operations of Intereuropa d.d. in January - March 2012, in thousand €

Item/Index	Jan - Mar 2012	Jan - Mar Plan 2012	Jan - Mar 2011	Index 2012/plan	Index 2012/2011
Sales revenue	28,469	27,532	24,646	103	116
Land transport	14,415	13,306	10,955	108	132
Logistic solutions	3,747	3,708	3,699	101	101
Intercontinental transport	8,958	9,238	8,789	97	102
Other services	1,349	1,280	1,203	105	112
EBITDA*	3,536	2,779	2,431	127	145
Operating profit ot loss	2,344	1,520	1,127	154	208
Financing profit ot loss	-1,601	-1,271	-815	-	-
Net profit ot loss	623	172	280	363	223
EBIT margin in %	8.2%	5.5%	4.6%	149	180
Sales revenue per employee/month	12.757	12.214	11.072	104	115
Value added per employee/month	3.572	3.203	3.050	112	117

** EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortisation*

Item/Index	31.03. 2012	Plan 31.12.2012	31.12. 2011	Index 2012/plan	Index 2012/2011
Balance sheet total*	306,812	305,699	312,409	100	98
Equity*	85,312	92,923	84,645	92	101
Net debt**	117,610	112,716	118,224	104	99
Short-term assets/ Short-term liabilities *	0.35	1.76	0.36	20	98
Net Return on Equity (yearly level)***	2.94%	2.88%	1.27%	102	231

** as of the last day of the reporting period*
*** financial liabilities – loans and deposits given - cash*
**** average equity (capital) of the report. period*

The Operating result and EBITDA

→ Excluding the transactions that are not directly related to the ordinary business, the following EBITDA and Operating Result values would be achieved:

(in 1000 €)	Jan - Mar 2012	Jan - Mar 2011	Index 2012/2011
EBITDA	3,420	2,348	146
Operating profit or loss	2,228	1,050	212

→ The growth of the operating result and EBITDA is attributable to higher sales revenue, and lower rise in indirect costs. In the reporting term the Parent Company achieved extremely high profitability ratios for the sales and selling efficiency thanks to rationalization of operations undertaken in the past and to higher sales volumes in the second half-year 2011, as well as in the reporting quarterly term.

The financing result

→ The Financing profit or loss for the reporting period was negative. The deterioration of the financial result compared with the same term last year and the plan for 2012 resulted from financial expenses from the financial instrument for hedging against currency risk.

Balance sheet structure

→ The Current Ratio was very low. The reason for that is our reallocation of a large portion of long-term financial liabilities to the short-term financial liabilities at the year-end 2011. The majority of reallocations was undertaken because we did not achieve the financial commitments as required in the contracts (financial ratios), and not because the maturity of these loans be shorter than one year. We have settled all our liabilities to banks in due time.

3. OPERATION OF SUBSIDIARY INTEREUROPA-EAST Ltd., MOSCOW

Intercontinental transport

In line with the growing trend of car sales in the Russian market we recorded an 8 percent growth of the sale of services in our Intercontinental transport segment (car logistics). In the reporting period, the Russian automobile market recorded a 19 percent rise over the comparable period last year.

For that reason the average inventory of cars in the car terminal was gradually increasing. In February we acquired a new customer and our car terminal accommodated 13,848 cars at the end of the first quarterly term. The increased arrivals of cars also had a favourable impact on the car transportation by truck – employing our own fleet and the trucks of sub-contractors.

Logistics solutions

We recorded a 20 percent higher sales revenue than planned, attributable to the rise in rentals to some tenants/lessees. At the end of the reporting term, 96 percent of our storage capacities were let out to nine lessees.

Land transport

In this segment, we raised the sales revenue from road transport services by 71 percent above the same term a year ago.

The rising costs of our suppliers reflected the growth of fuel prices. We tried to include a part of the higher fuel costs in the price of our services, but the margins remained on the same level or lower.

The loss of revenue planned for our Land transport segment has resulted mainly from the underachievement of the sales target for the railway transport.

Tables 14 and 15: Operations of Intereuropa-East Ltd., Moscow, January - March 2011, in thousand €

Item/Index	Jan - Mar 2012	Jan - Mar Plan 2012	Jan - Mar 2011	Index 2012/plan	Index 2012/2011
Sales revenue	3,590	3,155	2,724	114	132
Land transport	405	582	236	70	171
Logistics solutions	760	635	260	120	293
Intercontinental transport	2,385	1,906	2,208	125	108
Other services	40	32	20	127	204
EBITDA*	1,568	389	331	403	474
Operating profit ot loss	1,231	77	10	1,589	12,312
Financing profit ot loss	3,731	-2,460	-327	-	-
Net profit ot loss	3,860	-1,594	-401	-	-
EBIT margin in %	34.3%	2.5%	0.4%	1.397	9.343
Sales revenue per employee/month	6.997	6.032	5.681	116	123
Value added per employee/month	4.515	2.187	2.098	206	215

** EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortisation*

Item/Index	31.03. 2012	Plan 31.12.2012	31.12. 2011	Index 2012/plan	Index 2012/2011
Balance sheet total*	59,901	53,752	57,516	111	104
Equity*	-13,166	-22,138	-16,036	-	-
Net debt**	47,013	54,576	48,770	86	96
Short-term assets/ Short-term liabilities *	0.11	0.04	0.10	239	111
Net Return on Equity (yearly level)***	-	-	-	-	-

** as of the last day of the reporting period*
*** financial liabilities - loans and deposits given - cash*
**** average equity (capital) of the report. period*

The Operating result and EBITDA

→ Excluding the transactions that are not directly related to the ordinary business, the following EBITDA and Operating Result values would be achieved:

(in 1000 €)	Jan - Mar 2012	Jan - Mar 2011	Index 2012/2011
EBITDA	942	295	319
Operating profit or loss	606	-26	-

→ The growth of the operating result and EBITDA is attributable to higher sales revenue, and lower rise in indirect costs.

The Financing result

→ The foreign exchange gains contributed to the positive Financing Result for the first quarterly period.

FINANCIAL REPORT

The unaudited financial statements of the Parent Company and the consolidated financial statements for the Group are prepared in accordance with the law and the International Financial Reporting Standards (IFRS).

The same accounting guidelines were applied in the consolidated financial statements as in those of the Parent Company, as indicated in the Accounting Report for the financial year 2011. The management also reviewed the assessments, audits and presumptions and estimated that these remained unchanged in comparison with the preceding year.

STATEMENT OF THE MEMBERS OF THE MANAGEMENT

The Managing Board hereby confirms that according to its best knowledge and conscience, the financial report of the Company Intereuropa, Global Logistics Service Ltd. Co., and of the INTEREUROPA Group has been compiled in accordance with the applicable financial reporting framework and is a true and fair view of the assets and liabilities, the financial position and the Profit or Loss Statement of the Company Intereuropa, Global Logistics Service Ltd., and of other companies included in the consolidation. The business report includes a fair view of the information on the material transactions with related parties and has been drawn up in accordance with the relevant accounting standard.

INTEREUROPA d.d.
The Management Board

1. FINANCIAL REPORT FOR INTEREUROPA GROUP

1.1. Underlying financial statements of the Intereuropa Group

CONSOLIDATED INCOME STATEMENT FOR INTEREUROPA GROUP
from 1.1.2012 to 31.03.2012

in € thousand	January - March 2012	January - March 2011
Sales revenues	**47,368**	**56,667**
Other operating revenues	1,074	647
Costs of services	-30,423	-38,503
Labour costs	-8,632	-9,511
Depreciation	-2,581	-3,131
Other operating expenses	-2,435	-3,862
Operating profit/loss	**4,371**	**2,307**
Financial income	5,053	2,616
Financial expenses	-3,535	-3,961
Profit/loss from financial operations	**1,518**	**-1,345**
Result recognized according to equity method	8	8
Profit/loss from regular operations	**5,897**	**970**
Corporate income tax (with deferred tax)	-1,358	-299
Net profit /loss for the period	**4,539**	**671**
Net profit or loss / non-controlling interest	-6	48
Net profit or loss / controlling interest	4,545	623
Basic and diluted earnings per share (in €)	0.58	0.08

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR INTEREUROPA GROUP from 1.1.2012 to 31.03.2012

in € thousand	January - March 2012	January - March 2011
Net profit or loss	**4,539**	**671**
Other Comprehensive Income	**-1,180**	**-10**
Transfer of land revaluation surplus to retained earnings (from sale of land)	0	-308
Deferred tax in revaluation surplus of land	0	32
Change in fair value of financial assets available for sale	55	-28
Deferred tax in revaluation surplus of financial assets for sale	-11	5
Retained earnings from land revaluation (at sale of land)	0	308
Deferred tax from retained earnings	0	-3
Current tax from retained earnings	0	-29
Other changes in retained earnings	-4	-5
Exchange rate translation differencies	-1,220	18
Comprehensive income total	**3,359**	**661**
Comprehensive income total - non-controlling part	-123	123
Comprehensive income total - controlling part	3,482	538

CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR INTEREUROPA GROUP
as at 31.03.2012

in € thousand	31.3.2012	31.12.2011
ASSETS		
Tangible fixed assets	299,059	300,849
Investment property	6,318	6,375
Intangible assets	7,994	8,170
Other non-current operating assets	436	474
Deferred tax assets	10,916	11,755
Loans given	58	75
Investment in a joint venture	144	136
Other financial investments	3,610	3,556
TOTAL NON-CURRENT ASSETS	**328,535**	**331,390**
Assets held for sale	3,321	3,310
Inventories	247	241
Loans given and deposits	10,088	8,518
Short-term operating receivables	46,969	46,053
Short-term income tax assets	100	44
Cash	10,929	17,651
TOTAL CURRENT ASSETS	**71,654**	**75,817**
TOTAL ASSETS	**400,189**	**407,207**
EQUITY		
Equity - controlling interest	**134,779**	**131,296**
Share capital	32,976	32,976
Treasury shares	-180	-180
Reserves	58,321	59,143
Retained earnings	43,662	39,357
Equity - non-controlling interest	**9,516**	**9,692**
TOTAL EQUITY	**144,295**	**140,988**
LIABILITIES		
Provisions and long-term deferred revenues	2,630	2,726
Long-term loans and financial leases	28,568	27,401
Other long-term financial liabilities	3,036	2,721
Long-term operating liabilities	1,264	1,203
Deferred tax liabilities	17,080	16,982
TOTAL NON-CURRENT LIABILITIES	**52,578**	**51,033**
Short-term loans and financial leases	158,609	170,749
Other short-term financial liabilities	1,675	1,940
Short-term operating liabilities	42,561	41,988
Short-term income tax payable	471	509
TOTAL CURRENT LIABILITIES	**203,316**	**215,186**
TOTAL LIABILITIES	**255,894**	**266,219**
TOTAL EQUITY AND LIABILITIES	**400,189**	**407,207**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR INTEREUROPA GROUP from 1.1.2012 to 31.03.2012

in € thousand	January - March 2012	January - March 2011
Cash flows from operating activities		
Net profit/loss for the period	**4,539**	**671**
Adjustments for:		
- Depreciation	2,581	3,131
- Profit from disposal of tangible fixed assets and investment property	-235	-491
- Loss from disposal of tangible fixed assets	10	6
- Non-monetary expenses	80	15
- Non-monetary revenues	-102	-4
- Financial revenues	-5,053	-2,631
- Impaired receivables payed	463	499
- Recognized result of jointly controlled company according to equity method	-8	-8
- Financial expenses	3,535	3,961
- Income tax	1,358	299
Operating profit before changes in net working capital and taxes	**7,168**	**5,448**
Changes in net working capital and provisions		
Changes in receivables	-1,587	-2,616
Changes in inventories	-6	51
Changes in operating liabilities	1,460	1,032
Changes in provisions	-100	-45
Changes in corporate income tax	-218	-159
Cash from operating activities	**6,717**	**3,711**
Cash flows from investing activities		
Interest income	283	269
Inflows from disposal of tangible fixed assets	2,521	1,308
Inflows from long-term loans and deposits given	13	4
Inflows from decrease of short-term loans given	0	301
Outflows for acquisition of tangible fixed assets	-229	-1,259
Outflows for acquisitions of intangible assets	-1	-121
Outflows for long-term loans and deposits given	-3	0
Outflows from increase of short-term loans given	-138	-663
Outflows from increase of short-term deposits given	-1,432	0
Outflows from settlement of derivative financial instruments	-691	0
Cash from investing activities	**323**	**-161**
Cash flows from financing activities		
Inflows from long-term borrowings received	0	393
Inflows from increase in short-term borrowings	0	937
Paid interest	-2,996	-2,655

Outflows from repayment of long-term borrowings	-2,004	-1,568
Outflows from decrease of short-term borrowings	-8,708	0
Outflows for settlement of derivative financial instruments	0	-428
Paid dividend	-53	-174
Cash from financing activities	**-13,761**	**-3,495**
Cash and cash equivalents at beginning of period	**17,651**	**12,216**
Exchange rate differences from cash	-1	15
Net increase/decrease in cash	**-6,722**	**40**
Cash and cash equivalents at end of period	**10,929**	**12,256**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR INTEREUROPA GROUP from 1.1.2012 to 31.03.2012

in € thousand	Share capital	Treasury shares	RESERVES			Retained earnings	Equity - controlling interest	Equity - non-controlling interest	Total equity
			Revenue reserves	Translation reserve	Fair value reserve				
Opening balance as at 1.1.2012	**32,976**	**-180**	**2,585**	**-11,346**	**67,905**	**39,357**	**131,296**	**9,692**	**140,988**
Total comprehensive income	**0**	**0**	**0**	**-1,104**	**44**	**4,542**	**3,482**	**-123**	**3,359**
Net profit/loss	0	0	0	0	0	4,545	4,545	-6	4,539
Other comprehensive income	0	0	0	-1,104	44	-3	-1,063	-117	-1,180
Transactions with owners									
Payment of dividends or profit participations	0	0	0	0	0	0	0	-53	-53
Transfer of retained earnings to reserves	0	0	237	0	0	-237	0	0	0
Closing balance as at 31.3.2012	**32,976**	**-180**	**2,822**	**-12,450**	**67,949**	**43,662**	**134,779**	**9,516**	**144,295**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR INTEREUROPA GROUP from 1.1.2012 to 31.03.2011

in € thousand	Share capital	Treasury shares	RESERVES			Retained earnings	Equity - controlling interest	Equity- non-controlling interest	Total equity
			Equity reserves	Revenue reserves	Translation reserves				
Opening balance as at 1.1.2011	**32,976**	**-180**	**6,247**	**-10,636**	**71,378**	**38,136**	**137,921**	**10,242**	**148,163**
Total comprehensive income	**0**	**0**	**0**	**-57**	**-288**	**882**	**537**	**124**	**661**
Net profit/loss	0	0	0	0	0	623	623	48	671
Other comprehensive income	0	0	0	-57	-288	259	-86	76	-10
Transactions with owners									
Payment of dividends or profit participations	0	0	0	0	0	0	0	-141	-141
Transfer of retained earnings to reserves	0	0	14	0	0	-14	0	0	0
Closing balance as at 31.3.2011	**32,976**	**-180**	**6,261**	**-10,693**	**71,090**	**39,004**	**138,458**	**10,225**	**148,683**

1.2. Notes to Financial Statements of the Intereuropa Group

a) Notes to the CONSOLIIDATED INCOME STATEMENT

Sales revenues amounting to € 47,368 thousand represent the revenues from services supplied, whereas **other operating revenues** came to € 1,074 thousand.

The highest share in the **costs of services** totalling € 30,423 thousand, represents the direct costs (€ 26,178 thousand).

Labour costs

Table 16: Labour cost of the Intereuropa group in the term January-March 2012, in thousand €

in € thousand	January - March 2012	January - March 2011
Wages and salaries	6,458	7,143
Pension insurance costs	765	742
Other social security costs	625	744
Other labour costs:	783	882
holiday allowances	1	0
travel and meal allowances	677	720
other labour costs	105	162
Total labour costs	**8,632**	**9,511**

Other operating expenses

Table 17: Other operating expenses of the Intereuropa group in the term January-March 2012, in thousand €

in € thousand	January - March 2012	January - March 2011
Costs of material	1,722	3,132
Loss in disposal of tangible fixed assets	10	6
City land tax and similar expenses	267	533
Other operating expenses	435	190
Total other operating expenses	**2,435**	**3,862**

The effect of Financial Revenues and Expenses on the Profit or Loss

Table 18: The effect of financial revenues and expenses on the profit or loss of the Intereuropa group in the term January-March 2012, in thousand €

in € thousand	January - March 2012	January - March 2011
Interest income	244	215
Income from derivative financial instruments	0	996
Income from cancelled value adjustments of receivables and recovery of written-off receivables	463	499
Net exchange rate differences	4,345	906
Total financial income	**5,053**	**2,616**
Interest expenses	-2,554	-2,868
Financial expenses from impairments of financial investments included in assets held for sale	-1	0
Expenses from derivative financial instruments	-488	-429
Expenses from value adjustments and written-off receivables	-492	-664
Total financial expenses	**-3,535**	**-3,961**
Profit/loss from financing activities	**1,518**	**-1,345**

The Financing result is primarily attributable to the net gains from foreign exchange differences that amounted to € 4,345 thousand (mostly resulting from the company Intereuropa-East Ltd., Moscow).

b) Notes to the CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Tangible fixed assets

Table 19: Tangible fixed assets of the Intereuropa group as at 31.03.2012, in thousand €

in € thousand	31.3.2012	31.12.2011
Land and buildings	286,082	285,194
a) Land	130,486	130,488
b) Buildings	155,596	154,706
Other property, plant and equipment	7,627	10,648
Tangible fixed assets under construction	5,350	5,007
Total tangible fixed assets	**299,059**	**300,849**

Intangible assets

Table 20: Intangible assets of the Intereuropa group as at 31.03.2012, in thousand €

in € thousand	31.3.2012	31.12.2011
Long-term title rights	2,747	2,923
Goodwill	1,281	1,281
Long-term deferred development costs	3,966	3,966
Total intangible assets	**7,994**	**8,170**

Loans and deposits given

Table 21: Loans and deposits given of the Intereuropa group as at 31.03.2012, in thousand €

in € thousand	31.3. 2012	31. 12. 2011
Long-term loans given and deposits	**58**	**75**
- loans given	39	39
- deposits	19	36
Short-term loans given and deposits	**10,088**	**8,518**
- loans given	172	33
- deposits	9,916	8,485
Total loans given	**10,146**	**8,593**

Other financial investments in the amount of € 3,610 thousand relate to the item "Financial assets available for sale".

Assets held for sale amounting to € 3,321 thousand represent the financial assets held for sale.

Short-term operating receivables

Table 22: Short-term operating receivables of the Intereuropa group as at 31.03.2012, in thousand €

in € thousand	31.3.2012	31. 12.2011
Short-term operating receivables from buyers	44,200	42,451
Short-term operating receivables from others	2,769	3,603
Total short-term operating receivables	**46,969**	**46,053**

Equity

On the group level, the equity amounts to at € 144,295 thousand and represents 36 percent of the liabilities to sources of funding. Compared to the reporting date a year ago, this amount increased by € 3,307 thousand.

Provisions and long-term deferred revenue

Table 23: Provisions and long-term deferred revenue of the Intereuropa group as at 31.03.2012, in thousand €

in € thousand	31.3.2012	31.12.2011
Provisions for terminal bonus payments on retirement	1,859	1,877
Provisions on litigations and other provisions	633	729
Long-term deferred income	138	119
Total provisions and long-term deferred revenue	**2,630**	**2,726**

The **long-term loans and financial leases** amounted to € 28,568 thousand. This item was increased in the reporting period from the grace period granted under the short-term loan (€ 1,175 thousand), and decreased on account of foreign exchange differences (€ -8 thousand). As of the reporting date, all the due liabilities under the loan Agreements have been settled. However, the financial commitments under some loan agreements have not been fulfilled yet or changed respectively; for that reason we reallocated – as of the reporting date 31.12.2011 - all the long-term financial liabilities under these agreements to short-term financial liabilities.

The **short-term received loans and financial leases** showed a decrease by € 12,140 thousand.

Other long-term and short-term financial liabilities

Table 24: Other long-term and short-term financial liabilities of the Intereuropa group as at 31.03.2012, in thousand €

in € thousand	31.3.2012	31.12.2011
Long-term liabilities at fair value through profit/loss	3,036	2,721
Total other long-term financial liabilities	**3,036**	**2,721**
Short-term financial liabilities at fair value through profit/loss	1,243	1,505
Liabilities for dividends and other participations	433	435
Total other short-term financial liabilities	**1,675**	**1,940**

The item **Other long-term financial liabilities** in the amount of € 3,036 thousand and **Other short-term financial liabilities** at € 1,243 thousand relate to the liabilities under financial instruments at fair value through Profit of Loss. They stand for the net present value of the derivative financial instrument of cross-currency swap with currency option.

Short-term operating liabilities

Table 25: Short-term operating liabilities of the Intereuropa group as at 31.03.2012, in thousand €

in € thousand	31.3.2012	31.12.2011
Short-term operating liabilities to suppliers	35,318	33,503
Short-term operating liabilities from advances	1,070	1,099
Other short-term operating liabilities	6,174	7,387
Total short-term operating liabilities	**42,561**	**41,988**

Contingent liabilities

Table 26: Contingent liabilities of the Intereuropa group as at 31.03.2012, in thousand €

in € thousand	31.3.2012	31.12.2011
Arising from bank guarantees and guaratees given	11,366	11,328
Arising from legal proceedings	1,907	2,990
From D.S.U., družba za svetovanje in upravljanje	250	250
Total contingent liabilities	**13,523**	**14,569**

INFORMATION ACCORDING TO BUSINESS SEGMENTS FOR JANUARY - MARCH 2012

Table 27: Business segments of the Intereuropa Group in the term January - March 2012, in thousand €

in € thousand	Slovenia		Croatia		Bosnia & Herzegovina		Serbia		Montenegro	
	Jan-Mar 2012	Jan-Mar 2011	Jan-Mar 2012	Jan-Mar 2011	Jan-Mar 2012	Jan-Mar 2011	Jan-Mar 2012	Jan-Mar 2011	Jan-Mar 2012	Jan-Mar 2011
Revenues from external customers	27,965	29,094	7,409	7,815	1,454	1,664	855	730	1,062	1,209
Revenues from business with other segments	1,371	1,783	136	239	114	127	159	175	18	17
Total revenues	29,336	30,878	7,546	8,054	1,568	1,791	1,013	906	1,080	1,226
Depreciation	1,372	1,795	498	591	104	115	64	69	150	154
Operating profit or loss	2,168	886	713	665	91	557	120	84	41	61
Revenues from interest rates	1,074	1,149	51	78	0	0	6	21	23	37
Expenses from interest rates	2,357	2,645	130	194	21	28	68	87	0	0
Net profit or loss from ordinary activities	593	61	661	473	50	531	-124	76	65	78
Corporate income tax	131	43	106	36	5	82	7	7	6	12
Assets	309,589	327,598	72,615	85,929	17,664	18,626	11,064	12,205	22,915	24,248
Tangible fixed assets under construction	116	6	84	86	52	633	7	8	233	100
Long-term assets	243,698	259,415	58,214	68,603	16,238	16,996	9,874	10,836	19,558	19,946
Operating liabilities	42,912	46,736	10,832	12,204	1,929	2,222	1,695	1,774	823	793
Financial liabilities	181,531	189,413	7,541	15,840	1,113	1,718	2,861	3,426	358	310
Investment in jointly controlled entities	75	75	0	0	0	0	0	0	0	0
Revenues from investment in jointly controlled entities	0	0	0	0	0	0	0	0	0	0

in € thousand	Ukraine		Russia		Others		Total		Adjustments*		Group	
	Jan-Mar 2012	Jan-Mar 2011	Jan-Mar 2012	Jan-Mar 2011	Jan-Mar 2012	Jan-Mar 2011	Jan-Mar 2012	Jan-Mar 2011	Jan-Mar 2012	Jan-Mar 2011	Jan-Mar 2012	Jan-Mar 2011
Revenues from external customers	4,249	10,324	3,590	2,713	784	3,054	47,368	56,604	0	63	47,368	56,667
Revenues from business with other segments	0	0	0	11	85	191	1,883	2,544	-1,883	-2,544	0	0
Total revenues	4,249	10,324	3,590	2,724	869	3,245	49,251	59,148	-1,883	-2,481	47,368	56,667
Depreciation	34	59	337	321	21	27	2,581	3,131	0	0	2,581	3,131
Operating profit or loss	62	5	1,224	10	3	41	4,423	2,311	-52	-4	4,371	2,307
Revenues from interest rates	1	0	17	9	0	0	1,173	1,295	-929	-1,079	244	215
Expenses from interest rates	45	36	862	956	0	2	3,483	3,948	-929	-1,079	2,554	2,868
Net profit or loss from ordinary activities	-46	-251	4,956	-317	-9	40	6,146	692	-249	278	5,897	970
Corporate income tax	0	30	1,102	84	1	5	1,358	299	0	0	1,358	299
Assets	5,239	5,950	59,901	65,377	2,788	4,587	501,775	544,520	-101,586	-119,862	400,189	424,658
Tangible fixed assets under construction	4	4	4,845	5,283	9	0	5,350	6,120	0	0	5,350	6,120
Long-term assets	3,987	4,050	55,320	54,744	1,201	1,272	408,089	435,861	-79,554	-86,994	328,535	348,868
Operating liabilities	1,119	1,832	24,571	20,066	738	2,215	84,619	87,842	-20,614	-17,391	64,006	70,451
Financial liabilities	2,451	2,586	48,496	57,228	0	167	244,351	270,688	-52,463	-65,164	191,888	205,523
Investment in jointly controlled entities	0	0	0	0	0	0	75	75	69	67	144	142
Revenues from investment in jointly controlled entities	0	0	0	0	0	0	0	0	8	8	8	8

** All adjustments are subject to consolidation procedures*

2. FINANCIAL REPORT FOR THE PARENT COMPANY INTEREUROPA d.d

2.1. Underlying financial statements of the Parent Company Intereuropa d.d.

INCOME STATEMENT OF INTEREUROPA d.d.
from 1.1.2012 to 31.03.2012

in € thousand	January - March 2012	January - March 2011
Sales revenues	**28,469**	**24,646**
Other operating revenues	116	83
Costs of services	-19,657	-17,013
Labour costs	-4,436	-4,358
Depreciation	-1,192	-1,298
Other operating expenses	-956	-933
Operating profit/loss	**2,344**	**1,127**
Financial income	1,384	2,413
Financial expenses	-2,985	-3,228
Profit/loss from financial operations	**-1,601**	**-815**
Profit/loss from regular operations	**743**	**312**
Corporate income tax (with deferred tax)	-120	-32
Net profit /loss for the period	**623**	**280**
Basic and diluted earnings per share (in €)	0.08	0.04

STATEMENT OF COMPREHENSIVE INCOME FOR INTEREUROPA d.d. from 1.1.2012 to 31.03.2012

in € thousand	January - March 2012	January - March 2011
Net profit or loss	**623**	**280**
Other Comprehensive Income	**44**	**-22**
Fair value revaluation of land		
Transfer of land revaluation surplus to retained earnings from sale of land	0	-17
Deferred tax in revaluation surplus of land	0	3
Revaluation of financal assets available for sale	55	-27
Deferred tax in revaluation surplus of financial assets for sale	-11	5
Retained earnings from land revaluation (at sale)	0	17
Deferred tax from retained earnings	0	-3
Comprehensive income total	**667**	**258**

STATEMENT OF FINANCIAL POSITION FOR INTEREUROPA d.d. as at 31.03.2012

in € thousand	31.3.2012	31.12.2011
ASSETS		
Tangible fixed assets	141,757	142,629
Investment property	5,672	5,724
Intangible assets	6,488	6,634
Other non-current operating assets	432	474
Deferred tax assets	5,715	5,846
Loans given	29,839	29,840
Investment in subsidiaries	49,842	49,842
Investment in a jointly controlled company	75	75
Other financial investments	3,591	3,536
TOTAL NON-CURRENT ASSETS	**243,411**	**244,600**
Inventories	35	35
Loans given and deposits	27,817	29,250
Short-term operating receivables	30,313	29,149
Short-term income tax receivables	18	4
Cash and cash equivalents	5,218	9,371
TOTAL CURRENT ASSETS	**63,401**	**67,809**
TOTAL ASSETS	**306,812**	**312,409**
CAPITAL		
Share capital	32,976	32,976
Treasury shares	-180	-180
Reserves	51,893	51,849
Retained earnings	623	0
TOTAL CAPITAL	**85,312**	**84,645**
LIABILITIES		
Provisions and long-term deferred revenue	1,923	2,001
Long-term borrowings and financial leases	22,086	20,911
Other long-term financial liabilities	3,036	2,721
Long-term operating liabilities	1,159	1,101
Deferred tax liabilities	12,744	12,744
TOTAL NON-CURRENT LIABILITIES	**40,948**	**39,478**
Short-term borrowings and financial leases	154,045	161,474
Other short-term financial liabilities	1,317	1,579
Short term operating liabilities	25,190	25,233
TOTAL CURRENT LIABILITIES	**180,552**	**188,286**
TOTAL LIABILITIES	**221,500**	**227,764**
TOTAL CAPITAL AND LIABILITIES	**306,812**	**312,409**

STATEMENT OF CASH FLOWS FOR INTEREUROPA d.d.
from 1.1. 2012 to 31.03.2012

in € thousand	January - March 2012	January - March 2011
Cash flows from operating activities		
Net profit/loss for the period	**623**	**280**
Adjustments for:		
- Depreciation	1,192	1,298
- Profit from disposal of tangible fixed assets and investment property	-8	-42
- Loss from disposal of tangible fixed assets	0	6
- Non-monetary expenses	0	16
- Non-monetary revenues	-75	-4
- Financial revenues	-1,384	-2,413
- Impaired receivables payed	116	172
- Financial expenses	2,985	3,228
- Income tax (deferred tax incl.)	120	32
Operating profit before changes in net working capital and taxes	**3,569**	**2,573**
Changes in net working capital and provisions		
Changes in receivables	-504	-1,393
Changes n inventories	0	2
Changes in operating liabilities	545	-304
Changes in provisions	-2	0
Corporate income tax paid	-14	-15
Cash from operating activities	**3,594**	**863**
Cash flows from investing activities		
Interest income	256	225
Dividend income and participations in profit	175	178
Inflows from disposal of tangible fixed assets and investment property	19	143
Inflows from long-term loans given	1,661	327
Inflows from decrease of short-term loans given	1,267	4,021
Outflows for acquisition of tangible fixed assets	-179	-136
Outflows for acquisitions of intangible assets	0	-121
Outflows for long-term deposits given	-1,495	0
Outflows from settlement of derivative financial instruments	-436	-372
Cash from investing activities	**1,268**	**4,265**
Cash flows from financing activities		
Inflows from short-term borrowings received	0	404
Paid interest	-2,762	-2,420
Outflows from repayment of long-term borrowings	-82	-761
Outflows from decrease of short-term borrowings	-6,171	0

Cash from financing activities	**-9,015**	**-2,777**
Cash and cash equivalents at beginning of period	**9,371**	**155**
Net increase/decrease in cash from regular operations	**-4,153**	**2,351**
Cash and cash equivalents at end of period	**5,218**	**2,506**

STATEMENT OF CHANGES IN EQUITY FOR INTEREUROPA d.d.
from 1.1.2012 to 31.03.2012

in € thousand	Share capital	Treasury shares	RESERVES		Retained earnings	Total equity
			Revenue reserves	Fair value reserve		
Opening balance as at 1.1.2012	**32,976**	**-180**	**1,056**	**50,793**	**0**	**84,645**
Total comprehensive income	**0**	**0**	**0**	**44**	**623**	**667**
Net profit/loss	0	0	0	0	623	623
Other comprehensive income	0	0	0	44	0	44
Closing balance as at 31.3.2012	**32,976**	**-180**	**1,056**	**50,837**	**623**	**85,312**

STATEMENT OF CHANGES IN EQUITY FOR INTEREUROPA d.d.
from 1.1.2011 to 31.03.2011

in € thousand	Share capital	Treasury shares	RESERVES		Retained earnings	Total equity
			Revenue reserves	Fair value reserve		
Opening balance as at 1.1.2011	**32,976**	**-180**	**4,754**	**50,848**	**0**	**88,398**
Total comprehensive income	**0**	**0**	**0**	**-36**	**294**	**258**
Net profit/loss	0	0	0	0	280	280
Other comprehensive income	0	0	0	-36	14	-22
Closing balance as at 31.3.2011	**32,976**	**-180**	**4,754**	**50,812**	**294**	**88,656**

2.2. Notes to Financial Statements of the Parent Company Intereuropa d.d.

a) Notes to the INCOME STATEMENT

The **Sales revenue** amounting to € 28,469 thousand represents the realized revenues from services supplied. Compared to the same term last year, these Revenues were higher by € 3,823 thousand, while the **costs of services** went up by € 2,644 thousand.

Labour costs

Table 28: Labour cost of the company Intereuropa d.d. in the term January-March 2012, in thousand €

in € thousand	January - March 2012	January - March 2011
Wages and salaries	3,288	3,222
Pension insurance costs	364	285
Pension insurance costs	238	236
Other labour costs:	546	615
travel and meal allowances	518	502
other labour costs	28	112
Total labour costs	**4,436**	**4,358**

Other operating expenses

Table 29: Other operating expenses of the company Intereuropa d.d. in the term January-March 2012, in thousand €

in € thousand	January - March 2012	January - March 2011
Costs of material	634	650
Loss in disposal of tangible fixed assets	0	6
City land tax and similar expenses	247	222
Other operating expenses	76	55
Total other operating expenses	**956**	**933**

The effect of Financial Income and Expenses on the Profit or Loss

Table 30: The effect of financial income and expenses on the profit or loss of the company Intereuropa d.d. in the term January-March 2012, in thousand €

in € thousand	January - March 2012	January - March 2011
Interest income from group members	929	1,073
Interest income from others	134	68
Income from intra-group participations	199	178
Income from derivative financial instruments	0	901
Net exchange rate differences	5	20
Income from cancelled value adjustments of receivables and recovery of written-off receivables	116	172
Total financial income	**1,384**	**2,413**
Interest expenses	-2,336	-2,597
Expenses from derivative financial instruments	-488	-372
Expenses from value adjustments and written-off receivables	-161	-259
Total financial expenses	**-2,985**	**-3,228**
Profit/loss from financing activities	**-1,601**	**-815**

b) Notes to the STATEMENT OF FINANCIAL POSITION

Tangible fixed assets

Table 31: Tangible fixed assets of the company Intereuropa d.d. as at 31.03.2012, in thousand €

in € thousand	31.3.2012	31.12.2011
Land and buildings	138,471	139,100
a) Land	86,116	86,116
b) Buildings	52,356	52,984
Other property, plant and equipment	3,170	3,523
Tangible fixed assets under construction	116	6
Total tangible fixed assets	**141,757**	**142,629**

Intangible assets

Table 32: Intangible assets of the company Intereuropa d.d. as at 31.03.2012, in thousand €

in € thousand	31.3.2012	31.12.2011
Long-term title rights	2,522	2,668
Long-term deferred development costs	3,966	3,966
Total intangible assets	**6,488**	**6,634**

Loans and deposits given

Table 33: Loans and deposits given of the company Intereuropa d.d. as at 31.03.2012, in thousand €

in € thousand	31.3.2012	31.12.2011
Long-term loans given	**29,839**	**29,840**
- to subsidiaries	29,829	29,829
- to others	10	10
Short-term loans given and deposits	**27,817**	**29,250**
- to subsidiaries	19,308	22,232
- to others	8	13
- deposits	8,501	7,006
Total loans and deposits given	**57,657**	**59,090**

Other financial investments in the amount of € 3,591 thousand relate to the item "Financial assets available for sale".

Short-term operating receivables

Table 34: Short-term operating receivables of the company Intereuropa d.d. as at 31.03.2012, in thousand €

in € thousand	31.3.2012	31.12.2011
Short-term operating receivables within the Group	1,151	1,242
Short-term interest receivables from Group companies	1,015	184
Other short-term operating receivables from Group companies	159	135
Short-term operating receivables from buyers (excl. the Group)	27,514	26,684
Short-term operating receivables from others	390	739
Other short-term assets	84	166
Total short-term operating receivables	**30,313**	**29,149**

Equity

The capital expresses equity financing of the Company and is regarded as its liability to the owners. In view of the comparable reporting date a year ago, the share of the capital in the liabilities structure rose by one percentage point, amounting to 28 per cent of all liabilities to sources.

Provisions and long-term deferred revenue

Table 35: Provisions and long-term deferred revenue of the company Intereuropa d.d. as at 31.03.2012, in thousand €

in € thousand	31.3.2012	31.12.2011
Provisions for terminal bonus payments on retirement	1,250	1,269
Provisions on litigations	357	401
Other provisions	196	230
Long-term deferred income	120	101
Total provisions and long-term deferred revenue	**1,923**	**2,001**

The **long-term loans and financial leases** amounted to € 22,086 thousand. This item was increased in the reporting period owing to the grace period granted under the short-term portion of the long-term loan (€ 1,175 thousand), while in **the short-term loans received and financial leases** we recorded a decrease by € 7,429 thousand. As of the reporting date, all the due liabilities under the loan Agreements have been settled. However, the financial commitments under some loan agreements have not been fulfilled yet or changed respectively; for that reason we reallocated – as of 31.12.2011 - all the long-term financial liabilities under these agreements to short-term financial liabilities.

Other long-term and short-term financial liabilities

Table 36: Other long-term and short-term financial liabilities of the company Intereuropa d.d. as at 31.03.2012, in thousand €

in € thousand	31.3.2012	31.12.2011
Long-term liabilities at fair value through profit/loss	3,036	2,721
Total other long-term financial liabilities	**3,036**	**2,721**
Short-term liabilities	1,243	1,505
Liabilities for dividends	74	74
Total other short-term financial liabilities	**1,317**	**1,579**

The item **Other long-term financial liabilities** in the amount of € 3,036 thousand relates to the liabilities under financial instruments at fair value through Profit of Loss. They stand for the net present value of the derivative financial instrument of cross-currency swap with currency option. The short-term portion of the financial instrument due for payment in the year 2012 is posted under **Other short-term financial liabilities** in the amount of € 1,243 thousand.

Short-term operating liabilities

Table 37: Short-term operating liabilities of the company Intereuropa d.d. as at 31.03.2012, in thousand €

in € thousand	31.3.2012	31.12.2011
Short-term opertaing liabilities to companies within the Group	298	1,251
Short-term opertaing liabilities to suppliers	21,864	20,334
Short-term opertaing liabilities from advances	34	24
Other short-term opertaing liabilities	2,994	3,623
Total short-term opertaing liabilities	**25,190**	**25,233**

Contingent liabilities

Table 38: Contingent liabilities of the company Intereuropa d.d. as at 31.03.2012, in thousand €

in € thousand	31.3.2012	31.12.2011
Arising from bank guarantees and guaratees given	17,588	19,847
- from bank guarantees and guaratees given to Group members	11,475	13,737
- from bank guarantees and guaratees given to others	6,113	6,110
Arising from legal proceedings	1,673	2,761
From D.S.U., družba za svetovanje in upravljanje	250	250
Total contingent liabilities	**19,511**	**22,858**

IN BRIEF …

Despite a repeated aggravation of economic and market situation, Intereuropa succeeded in the reporting quarterly period to assure a good operating result and achieve the most goals set for the provision of logistics services. The growth of input costs in logistics, in particular the prices of fuel, persisted, therefore we continued with the operational process optimization. The results of these activities reflected in the changed structure of sales revenue and selling costs, and led to a significantly higher share of operating profit in the sales revenue. Already last year we began to reduce providing the transportation with our own fleet and now we render these services by hiring subcontractor hauliers. In January the voluntary liquidation proceedings was initiated for the affiliated company Intereuropa Transport d.o.o. In Slovenia, Croatia, and Bosnia and Herzegovina was launched the restructuring process on the Express Service product, which is not completed yet. Moreover, we introduced a new IT solution to support the products of our land transport in Slovenia, and the implementation is about to start in Croatia, too. Some supporting processes will be simplified, which will further add to optimization in the Parent company.

The Intereuropa Group generated a **sales revenue of € 47.4 million** in the first quarter 2012, which was one percent above the sales target. Much better sales results than planned were achieved primarily in the products road transport in Slovenia and car logistics in Russia, where a high occupancy rate was recorded in the car terminal.
Compared with the same period a year ago, our sales result in the reporting term was 16 percent lower. A downturn trend was perceived in the land transport area, which has resulted from the decrease in operations and the initiation of voluntary liquidation on the company Intereuropa Transport d.o.o., as well as from the closing down of the subsidiary in Germany and the sale of the subsidiary in France. The inferior sales volume than last year was also a logical consequence of the lower planned volume of operations of our Ukrainian company due to the declining volume of goods flows in transit in railway transport.

In March a major customer - Top Shop International SA - informed us of termination of cooperation due to relocation of their logistics activities to Poland. We estimate that our sales revenue on the group level will shrink by approximately 2.5 percent in the year 2012. We will address the negative impact thereof by adopting the required measures in the area of sales, organization and finance.

The **Operating profit or loss** of the group was increased by 89 percent to **€ 4.4 million**. The growth is largely attributable to the stoppage of operations in two under-performing subsidiaries, and to the substitution of a considerable portion of the sales revenue in the closed-down units by the Parent company and in the subsidiary in Russia. Accordingly, we have improved the profitability of the operations in the reporting term to the 9.2 percent EBIT margin.

The **Financing result** was positive, at **€ 1.5 million**. That is attributable to positive foreign exchange differences and to lower interest expenses. After tax, the **Net profit** of the group came to **€ 4.5 million**.

At the end of the term the group recorded a **net financial debt at € 170.8 million** and was 3 percent lower than at the year-end 2011.
Assuring financial stability remains our top strategic goal and the key risk, which is addressed daily on our part, in the effort to maintain it on an acceptable level. Our creditor banks approved a grace period for the repayment of principals until 30 September 2012 and expressed, in principle, their readiness for converting a portion of accounts receivable in equity: along with the potential sale of the logistics centre in Moscow and rescheduling of the remaining portion of financial liabilities, these solutions would reduce the indebtedness of Intereuropa d.d. to a sustainable level.

INTEREUROPA d.d.
President of Management Board
Ernest Gortan, Msc.